

FIGHTING FOR HOMEOWNERS

The Democrats are fighting hard to keep families from losing their homes. In 2008, the Democrats passed landmark legislation that provides mortgage assistance and foreclosure mediation programs for Connecticut's homeowners. We also authored a series of measures aimed at eliminating the predatory lending that led to the problems we face today.

Mortgage Assistance Programs

- **Eligibility varies by program. Call the Connecticut Housing Finance Authority (CHFA) or visit the websites listed below to see if you qualify.**
860-571-3500, toll free 877-571-2432.

Homeowner's Equity Recovery Opportunity Loan Program (HERO)

HEROinfo@chfa.org

Eligibility and Description:

- Homeowner must make effort to meet financial obligations and must have sufficient and stable income to repay this loan.
- Homeowner must account for cash flow if delinquent on payments and must disclose all income.
- Property must be primary residence.
- CT Housing Finance Authority (CHFA) purchases mortgage from lender and places homeowner in affordable repayment plan.
- Mortgage terms up to 30 years and CT

Housing Finance Authority (CHFA) determines principal amount and interest rate.

- Property taxes and homeowner's insurance included in one monthly payment.
- Homeowner must attend financial counseling.

Emergency Mortgage Assistance Program (EMAP) EMAPinfo@chfa.org

Eligibility and Description:

- Lender must have notified homeowner of potential foreclosure.
- Homeowner should schedule face-to-face meeting with credit counselor or with lender to try to resolve the loan default.
- Homeowner should contact CHFA about this mortgage assistance program (EMAP) if lender does not agree to resolution.
- Provides monthly payment assistance for a maximum of 5 years.
- Periodic review of homeowner's ability to resume payments to lender and to repay EMAP.

CT Families Program

CTFAMILIES@chfa.org

Eligibility and Description:

- Homeowners must have Adjustable Rate Mortgage (ARM) or fixed rate mortgage that is no longer suitable for their situation.
- Provides refinancing mortgage loan with fixed rate and 30 year term.



Preventing Foreclosure

Foreclosure Mediation

- Contact Judicial Branch for Details: Roberta Palmer, (860) 263-2734 or Roberta.Palmer@jud.ct.gov.

Eligibility and Description:

- Homeowner must be an owner-occupant of a residential property which is primary residence.
- Homeowner must submit Foreclosure Mediation Request Form when received in mail from lender.
- Homeowner and lender will meet with a mediator to try to reach an agreement.
- Mediator may try to (1) reinstate mortgage, (2) restructure the loan, or (3) advise homeowner to apply for a mortgage assistance program.



Curbing Predatory Lending

New oversight of lenders and brokers

- Before writing loan, lender must take steps to confirm income and asset information.
- Lender must take steps to confirm the homeowner has ability to make monthly payments at the highest possible rate during the life of the loan.
- Prohibits improper influencing home appraisals.

Regulation of high interest rate loans (nonprime)

- Prohibits prepayment penalties or prepaid finance charges above 8% of the loan's principal.
- Prohibits demand-payment provision.
- Escrow for taxes and insurance required.
- Prohibits nonprime refinancing loan unless it is in the homeowner's best interest.
- Lenders may not increase rates after homeowner defaults.
- At any time before court enters judgment, the homeowner may stop foreclosure process by coming current on payments.

Contact Information

Remember: If you are having a hard time making your mortgage payments, contact your lender. If your lender will not work with you, call the numbers below for full program eligibility guidelines.

Department of Banking Foreclosure Assistance
Hotline: 877-472-8313

Connecticut Housing Finance Authority:
toll free (877) 571-2432

Judicial Branch Mediation Program: 860-263-2734

Mortgage Crisis Job Training Programs:
866-683-1682

www.workplace.org/mortgage.asp

For more information on [Public Act 08-176](#) AAC Responsible Lending and Economic Security or other legislation, call House Democrats toll free at 1-800-842-8267.